

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

FTX TRADING LTD., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

**Re: D.I. 291**

**LIMITED RESPONSE AND RESERVATION OF RIGHTS OF THE JOINT  
PROVISIONAL LIQUIDATORS OF THE CHAPTER 15 DEBTOR REGARDING THE  
DEBTORS' MOTION TO ENFORCE THE AUTOMATIC STAY OR,  
IN THE ALTERNATIVE, EXTEND THE AUTOMATIC STAY**

Brian C. Simms KC, Kevin G. Cambridge, and Peter Greaves (the “**Joint Provisional Liquidators**” or the “**Foreign Representatives**”), in their capacities as the duly appointed joint provisional liquidators of FTX Digital Markets Ltd. (“**FTX Digital**” or the “**Chapter 15 Debtor**”) and foreign representatives of the provisional liquidation of FTX Digital pending in the Supreme Court of The Bahamas pursuant to the Companies (Winding Up Amendment) Act 2011, submit this limited response and reservation of rights to the *Debtors’ Motion to Enforce the Automatic Stay or, in the Alternative, Extend the Automatic Stay* [D.I. 291] (the “**Motion**”), and respectfully state as follows:

**LIMITED RESPONSE AND RESERVATION OF RIGHTS**

1. In the first half of 2022, Emergent Fidelity Technologies Ltd. (“**Emergent**”), a special-purpose holding company 90% owned by Samuel Bankman-Fried (“**SBF**”), acquired

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<sup>1</sup> The last four digits of FTX Trading Ltd.’s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the debtors (the “**Chapter 11 Debtors**”) and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Chapter 11 Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

approximately 56 million shares of Robinhood Markets Inc. (the “**Robinhood Shares**”) purportedly for around \$650 million. The Robinhood Shares are currently frozen in a brokerage account maintained at ED&F Man Capital Markets Inc. (“**EDFM**”).

2. As discussed in the Motion, various parties in interest have asserted competing entitlements to the Robinhood Shares, including (i) BlockFi Inc., BlockFi Lending LLC, and BlockFi International LLC (together, “**BlockFi**”), which filed petitions for relief under chapter 11 of the Bankruptcy Code<sup>2</sup> in the United States Bankruptcy Court for the District of New Jersey (the “**New Jersey Bankruptcy Court**”), which are being jointly administered under Case No. 22-19361 (MBK); (ii) Yonathan Ben Shimon, an alleged FTX creditor who successfully appointed a receiver in Antigua to obtain control of and sell the Robinhood Shares under the supervision of an Antiguan court; (iii) SBF; and (iv) FTX Trading Ltd., Alameda Research Ltd. (“**Alameda**”), and their affiliated debtors in these Chapter 11 Cases pending before this Court.

3. On November 28, 2022, BlockFi commenced an adversary proceeding under Case No. 22-01382 (MBK) against Emergent and EDFM in the New Jersey Bankruptcy Court (the “**BlockFi Adversary Proceeding**”) seeking turnover of the Robinhood Shares on the basis of a seemingly preferential pledge to BlockFi of the Robinhood Shares to secure loans made by BlockFi to Alameda just *two days* prior to the commencement of these Chapter 11 Cases. According to evidence submitted in the BlockFi Adversary Proceeding, the purchase of the Robinhood Shares was financed in part by \$546,381,737.10 in personal loans given by Alameda to SBF and Gary Wang. *See In re BlockFi Inc.*, 22-19361-MBK, Adv. Pro. No. 22-01382-MBK (Bankr. D.N.J. 2002) [D.I. 19] at ¶16.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings given to them in the Motion.

4. On December 22, 2022, the Chapter 11 Debtors filed the Motion requesting that this Court enforce the automatic stay against the BlockFi Adversary Proceeding and with respect to the Robinhood Shares or, in the alternative, extend the stay to non-debtor defendants in the BlockFi Adversary Proceeding.

5. During the status conference before this Court on January 4, 2023, the U.S. Department of Justice announced that it has now seized the Robinhood Shares, potentially mooted the BlockFi Adversary Proceeding. To the extent the Motion goes forward, however, the Joint Provisional Liquidators support the Chapter 11 Debtors' request to stay the BlockFi Adversary Proceeding.

6. The Joint Provisional Liquidators agree with the Chapter 11 Debtors that the BlockFi Adversary Proceeding should be stayed. Based on their investigation of the assets and obligations of the Chapter 15 Debtor to date (which are ongoing), it appears that assets titled in the name of the Chapter 15 Debtor or in which the Chapter 15 Debtor has an interest, and/or assets belonging to certain customers of the Chapter 15 Debtor, may have been used by Emergent, SBF, and/or others to purchase and/or acquire the Robinhood Shares. Accordingly, the Joint Provisional Liquidators reserve all rights with respect to the Chapter 15 Debtor's potential claims to or interests in the Robinhood Shares.

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Dated: January 5, 2023

/s/ Brendan J. Schlauch

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